

DIA, OSD and DOS review(s) completed.

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1. British comment on Palestine situation--The British Chief Secretary in Jerusalem has informed the US Consul that illegal immigrants now off Palestine will be landed and detained until quotas are available but that those reported en route will be removed. The Secretary acknowledged that such action may bring civil war but added that nothing could be worse than the "present state of anarchy." He considers that an Arab attack on the illegal immigrants at Haifa is probable.

The British Foreign Office has told US Charge London that it expects British measures to stop illegal immigration into Palestine but not into the Eastern Mediterranean. The Foreign Office believes the Jews will continue to foster unlimited immigration, irrespective of Palestine's ability to absorb the immigrants.

2. Soviet pressures on Turkey--US Military Attache Moscow believes that the Soviet demand on Turkey for revision of the Montreux Straits Convention is related to such other current Soviet pressures on Turkey as the support of Bulgarian claims to western Thrace, encouragement of the Kurdish independence movement, and efforts to expand Soviet Armenia at Turkish expense.

General Robertson, US Representative ACC Bulgaria, finds no evidence to support rumors of a possible Soviet-supported offensive from Bulgaria against Turkey.

3. Stalin discusses common aims with British Socialists--US Embassy Moscow has learned that Stalin, in an interview with a British Labor Party delegation headed by Laski, frankly indicated the difficulty of maintaining socialist economic control. He is reported to have said that the greater part of the economic activity in the USSR was outside the state framework. Stalin expressed doubt that the transition to socialism could be achieved without violence and inquired whether force would not be necessary to drive out foreign capital. The British took this to mean US capital and felt that Stalin's approach was in part designed to drive a wedge between the US and the UK by playing on British anxieties regarding the loan and by stressing the community of socialist aims between the UK and the USSR.

4. Soviet pilots in Austria take refresher training--Headquarters US Forces Austria reports that Soviet military pilots in the Vienna area are soon to leave for 5 months of extensive flight refresher training in

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Hungary and Poland "to correct the present state of rustiness of Soviet pilots."

5. British air agreements disregard Bermuda principles--Acheson has declared in a personal letter to the British Ambassador that the US "finds difficulty" in reconciling the US-UK Bermuda agreement with the air agreements recently concluded by the UK with France and Argentina, especially in respect to limitations on frequency, capacity, and Fifth Freedom traffic.

EUROPE-AFRICA

6. IRAN: Soviet troops reported massing on border--US Consulate Tabriz has forwarded a report that a "reliable" Iranian official has seen "several large concentrations of Red Army infantry, motorized units and tank groups" in a 65-mile area along the Soviet side of the Araxes River, which separates the USSR from Iran. US Military Attache Tehran remarks that no confirmation of the report is yet available.

Qavam to take "firm" stand with Azerbaijan--Qavam has told US Ambassador Allen that he proposes to "be very firm" in his forthcoming negotiations with Azerbaijan delegates and, if negotiations fail, might be compelled to employ force to bring Azerbaijan back into the Iranian nation. Qavam attributed his previous "overly conciliatory" attitude toward Azerbaijan and the Tudeh Party to his lack of confidence in the Iranian Army but added that "he now had that confidence."

British reply to Iranian protest on troops at Basra--The Foreign Office has instructed its Ambassador in Tehran to inform the Iranian Government that it has taken note of the Iranian protest against movement of British troops to Basra (see Daily Summary of 9 August, item 2) and agrees that the maintenance of order in Southwest Iran "is the direct responsibility of the Iranian Government."

7. USSR: Zhukov still listed as Deputy Minister of Armed Forces--US Military Attache Moscow reports that the name of Marshal Zhukov was included in a Soviet reply to an official British inquiry for names of the Deputy Ministers of Armed Forces. The MA comments that this evidence adds weight to the theory that Zhukov is still Commander in Chief of the Red Army and is in Odessa only for nerve warfare (see Daily Summary of 8 August, item 3).

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8. RUMANIA: Opposition parties suffer pre-election violence--US Political Representative Berry at Bucharest reports that pre-election intimidation by the Rumanian Government is clearly entering a "final stage," and physical violence against opposition elements is increasing.

FAR EAST

9. INDIA: Prospects for interim government--US Commissioner New Delhi reports that the Viceroy's invitation to Nehru to make proposals for interim government reflected "reliance on Congress' knowledge that Congress could not form or maintain government without League cooperation" and belief that "there was fifty-fifty chance Jinnah would accept." If the League still considers Congress has not responded with sufficient generosity, the Viceroy will allow Congress to form its own Ministry and take a chance on "chaos."
10. INDOCHINA: Possible isolation of Viet Nam--US Consul Saigon reports that the French High Commissioner apparently will be able to return from the Dalat Conference to Paris about 18 August with full agreement on the Indochina Federation by all the states in Indochina, except Viet Nam. The Consul believes that unless the French Government resumes negotiations with Viet Nam at Fontainebleau and pursues a policy other than that of "the French in Indochina," Viet Nam may be isolated, and the return of peace to Indochina seriously jeopardized.
11. SIAM: French react to Siemreap incident--Caffery has learned that the French, on the basis of information reaching Paris, are convinced of Siamese complicity in the 7 August attack upon the village of Siemreap in North Central Cambodia by a mixed force of "rebels." French Foreign Minister Bonnet has been instructed to inform the State Department that the French request for US good offices in the Indochina-Siam border dispute has been "temporarily" withdrawn. US Naval Attache Bangkok, who visited Siemreap on 9 August, reports that the leaders in the raid may have been Siamese but it was "most unlikely that any Siamese leadership included official backing."

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THE AMERICAS

12. **ARGENTINA: Increasing restrictions on Communists--**Messersmith reports that the Peron Administration, in contrast to its earlier leniency, is taking increasingly restrictive measures against activities of the Communist Party. Messersmith believes it unlikely, however, that the Party will be outlawed in the near future.
13. **CUBA: Wave of blackmail and violence--**According to US Ambassador Norweb, continuing threats of extortion and personal violence and attempted assassinations are influencing several wealthy businessmen to leave the country.

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